

MINUTES  
BOARD OF SUPERVISORS  
COUNTY OF YORK

Adjourned Meeting  
March 21, 2002

6:00 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 6:01 p.m., Tuesday, March 21, 2002, in the East Room, York Hall, by Chairman Donald E. Wiggins.

Attendance. The following members of the Board of Supervisors were present: Sheila S. Noll, Donald E. Wiggins, James S. Burgett, and Thomas G. Shepperd.

Walter C. Zaremba was absent.

Also in attendance were James O. McReynolds, County Administrator; and James E. Barnett, County Attorney.

**WORK SESSION**

PROPOSED FISCAL YEAR 2003 BUDGET

Mr. McReynolds made a brief presentation showing a comparison between the FY94 budget expenditures and the FY03 proposed budget. The comparison indicates that in current dollars the FY94 budget per capita expenditures were 16 percent less in public safety; 14 percent less in education; 100 percent less in tourism; and all other expenditures have gone down by 2 percent since FY94. He noted there had been a total increase over the 10-year period of 8.7 percent, but it was obvious by the breakdown where the emphasis on expenditures has been placed.

Mr. Burgett mentioned a recent article in the Daily Press which spoke of hard budget times and suggested that localities were not optimizing their revenues. He stated the press should be more informed before writing such articles because it was obvious from the information provided by Mr. McReynolds that York County was spending its tax dollars in the priority areas of education, public safety, and tourism.

Mrs. Noll stated the Board should be proud of the fact that the staff has been able to keep the tax rate level for eight consecutive years. Because the funds have been wisely managed, the County has been able to provide additional services with the tax rates remaining level. She stated property values were going up, but real estate is a life investment which everyone hopes will increase in value over time.

Discussion followed regarding the increase in expenditures for corrections.

Mr. McReynolds then spent some time discussing Impact Aid with the Board, and he provided some background information on how the federal program is under funding York County by approximately \$2.1 million.

The Board and staff then reviewed the proposed contributions for FY2003, and no changes were made or further support suggested.

Mr. McReynolds then noted that Mr. Zaremba had provided the Board with a list of questions that he asked be addressed and discussed at this time. Mr. Zaremba's questions and Mr. McReynolds' answers are as follows:

- A. Fourteen new positions are proposed in this year's budget. Have all alternatives been explored, i.e., offering overtime to current staff, use of temp services to cover peak demand, etc.?

Before requesting that the Board approve the additional staff, the need and justification is thoroughly reviewed. In general, needs are first addressed with temporary employees (work as required) and overtime funds. Then the need is addressed with part-time employees and finally with full-time employees. This is evidenced by the way the request for the additional staff was presented to the Board for this budget cycle. Several of the requests were not recommended by the County Administrator, several were reduced by either recommending part-time positions where full-time positions had been requested, or the increase in the number of hours requested was reduced. In some instances, such as the additional staff for the Seaford Fire Station, it is very difficult, if not impossible, to address the need with part-time or overtime funding.

- B. Worker Comp claims are proposed to increase by \$75,000 or 29.13%. Why? Are there safety issues of which we are unaware? This is an increase of almost 325% over FY2000; from \$107,000 to the proposed \$330,000. See page 334 in "Proposed Annual Budget."

During 1998 the County chose to self-insure for Worker's Compensation purposes. In many cases compensation for job related injuries is paid over a period spanning multiple years. Until the plan matures and in a given year new claims awarded begin to approximate claims fully paid the annual payments will most likely continue to increase at a rate higher than you would normally expect. Part of the reason that we haven't had to increase the cost in previous years is that we were still receiving premium rebates from the period when the County was not self-insured. However significant premium rebates are not expected in future years. For comparative purposes, the County has saved approximately \$400,000 over what would most likely have been paid in premiums if we had not self-insured.

- C. Vehicle Maintenance, Fund 12, is proposed to increase \$486,000. Itemized, this includes \$124,000 in "Use of Vehicles;" \$30,500 in "Insurance Reimbursement" (our driving record seemed to be improving over the last few years; are we anticipating a poor driving record this year?); a whopping \$293,000 in "Direct Repair Charges" and \$38,500 in Equity Funding. It is unclear whether this is in addition to a proposed \$207,000 in "Capital Outlay." See page 324 in "Proposed Annual Budget" and page 155 in "Proposed Annual Accounting Detail Budget."

Anticipated increases in vehicle maintenance to which you refer are actually revenue items. These revenue increases reflect staff's efforts to better account for the usage, maintenance, repair and other costs associated with the operation of our vehicle fleet and to recover those costs through user charges. The \$30,500 increase in insurance reimbursements reflects the recovery from the departments of the increase in premiums. Based on the latest information available, the increase in premiums is more a result of the events of September 11 than a reflection of our driving record. In fact, insurance recoveries related to our driving record are expected to decrease, indicating an improved driving record. Approximately \$190,000 of the \$293,000 increase in Direct Repair Charges is offset by a decrease in Maintenance Services line item. This change was made to better track the payments received for the repair and maintenance of other items of equipment such as tractors, bulldozers, etc. Additionally, this line item has increased because of the agreement with the Colonial Services Board to maintain their vehicles. Maintenance of these vehicles can be accommodated without increasing staff and therefore reduces the fixed costs that must be recovered from County operations. The \$193,000 increase in capital outlay is the routine, scheduled replacement of vehicles in the fleet. Due to the varying life cycles of the different classes of vehicles in the County fleet, the amount needed for replacements may vary significantly from year to year. The funds used for the purchase of these vehicles are accumulated over their useful life.

D. Economic Development has a proposed increase of \$150,000 or 150% in this category. Why? I view this as an unnecessary expenditure given what is in our Economic Development Reserve that we plan to fund again this budget cycle at \$50,000.

The recommendation for additional funding for economic development is made for several reasons including:

- ? ? Economic development is a stated priority of the Board
- ? ? Given the recent recession, this funding could be used to supplement the funds made available for tourism promotion
- ? ? Funding of this nature does not have to be programmed annually, (it is somewhat like a non-operating expense) and, therefore, could be used to help address needs in a year when revenue growth is not as strong
- ? ? Additional funding could help put the County in a better position to react positively to major commercial development opportunities (either by providing infrastructure for sites such as the Eggar tract or by providing additional flexibility for dealing with proposals)

E. The School Budget proposes an increase of \$1,700,000 in County funding. This increase does not factor in projected increases in state and federal funding which amount to an overall increase, inclusive of County funding of \$5,087,442. Given that we anticipate the addition of only 150 new students to

our school system, this increase, if all projections are met, seems staggering. Moreover, the School Operating Fund is expected to exceed its FY2002 budget by \$418,415. How does this happen? Let me just say this: "Please folks, don't try this at home." See page 159 in "Proposed Annual Budget."

The good news is that a small minority of departments did show modest decreases in spending, mostly in our courts system. Perhaps their example can be emulated throughout this budget.

The School Board's budget reflects a column for original budget and revised budget. The increase in the FY2002 budget reflects additional state and federal funding received by the School Board in excess of the amounts originally expected. The additional funding is due largely to the fact that enrollment grew more than was expected at the beginning of the school year. The revised budget amount reflects the School Board's action to budget and appropriate those new funds. Our recommended increase in local funding for education for FY2003 follows the County's policy of increasing the school funding by the same percentage as the increase the County expects to incur in local revenue which is approximately 6.7%, or \$1,870,000.

Chairman Wiggins asked that Mr. McReynolds provide Mr. Zaremba with a written copy of his responses.

**CLOSED MEETING.** At 6:56 p.m. Mrs. Noll moved that the Board convene in Closed Meeting pursuant to Section 2.2-3711(A)(5) of the Code of Virginia pertaining to prospective business or industry or expansion of existing business or industry where no previous announcement has been made.

On roll call the vote was:

Yea: (4) Noll, Burgett, Shepperd, Wiggins  
Nay: (0)

Meeting Reconvened. At 7:25 p.m. the meeting was reconvened in open session by order of the Chair.

Mrs. Noll moved the adoption of proposed Resolution SR-1 that reads:

A RESOLUTION TO CERTIFY COMPLIANCE WITH THE FREEDOM  
OF INFORMATION ACT REGARDING MEETING IN CLOSED SES-  
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WHEREAS, the York County Board of Supervisors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

March 21, 2002

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the York County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 21st day of March, 2002, hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the York County Board of Supervisors.

On roll call the vote was:

Yea: (4) Burgett, Shepperd, Noll, Wiggins  
Nay: (0)

A brief discussion took place concerning potential meeting dates for a retreat and sessions with the Industrial Development Authority and the Planning Commission.

Meeting Adjourned. At 7:36 p.m. Mr. Burgett moved that the meeting be adjourned sine die.

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James O. McReynolds, Clerk  
York County Board of Supervisors

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Donald E. Wiggins, Chairman  
York County Board of Supervisors